Remarks/Arguments

Reconsideration of this patent application is requested.

In response to the Election/Restrictions dated December 20, 2004, Applicants elected to prosecute claims 36-41, 43, 45-61, and withdrew from consideration claims 1-35.

Claims 36-41, 43 and 45-61 have been rejected by the Examiner under 35 USC §101 for being directed to non-statutory subject matter. Claim 36, as amended, and those claims dependent thereon are directed to statutory subject matter, namely, a method utilizing a computer.

Claims 42, 44, and 49 have been withdrawn as being drawn to a non-elected invention.

Claims 45 and 46 have been cancelled.

Claims 35-40, 43-45 and 61 have been rejected by the Examiner under 35 USC §102(b) as being anticipated by Francisco (U.S. Patent No. 5,875,433).

Francisco discloses the following in line 46, column 9 to line 39, column 10:

> "FIG. **6** is block diagram/flow chart according to an embodiment of this invention wherein tax (e.g. "use tax") on sales made over the Internet, catalog, world wide web, direct mail, etc. **216**, is automatically charged to the buyer or customer, and reported to the IRS and forwarded to the appropriate State Treasury based on the location of the customer (i.e. where the goods are to be shipped). As shown in FIG. **6**, when a buyer or customer wishes to purchase a product over the Internet **216**, for example, the buyer or consumer first uses communication link **216** (e.g. package switched digital data network) and makes the purchase at **201** (e.g. via direct mail, catalog order, Internet, etc.). After the consumer has made the purchase, the transaction (i.e. the purchase) is recorded on tax register **8** at the retailer location at **203**. Thereafter, tax register **8** calculates the sales tax or "use tax" based on the destination of the goods at **205**. For example, if the consumer or buyer is located in Virginia and the purchased goods are requested by the consumer to be shipped there from a New York retailer, tax register **8** at **205** calculates the Virginia use tax to be charged against the consumer's account or credit card. After this tax has been calculated at **205**, the consumer is given a receipt **7** via the Internet, direct mail, or simply

> by regular U.S. Mail **216**. After the tax has been calculated at **205**, the retailer ships the purchased goods to the consumer and initiates a credit card transaction at **207**, given the fact that the consumer has purchased the goods with a credit card. In step **207**, tax register **8** instructs the system and coordinates the credit card transaction via a modem which is in communication with the credit card company. Thus, the credit card company at **209** charges the credit card of the consumer with both the sales price and the tax (e.g. use tax or just sales tax if the goods are not being shipped out-of-state.)
>
> Still referring to FIG. **6**, after the credit card transaction has been completed, the amount of the sale is dispersed to the retailer at **211** via network **216** and tax register **8** reports the sales transaction to the State and/or IRS at **213**. While tax register **8** reports to the State and IRS, the credit card company disperses the tax funds charged the consumer to the State and/or IRS at **214** via network **216**. At **215**, the appropriate State Treasury (e.g. Virginia) receives the tax calculated in step **205** over the Internet, modem, etc. while at step **35**, the IRS receives the gross income summary form 1099 via network **216**. Network **216** may be the Internet throughout the entire FIG. **6** system or, alternatively, may be partially the Internet (packet switched network) and otherwise via the public switched telephone network (PSTN) or the like.
>
> In a manner consistent with FIG. **6**, appropriate State and Federal Government Agencies automatically receive their tax information, including use tax and sales tax dollars, when consumers purchase goods or products over the Internet, via catalog, direct mail, televised shopping clubs, etc. **216** where enforcement of "use tax" payment is otherwise difficult given conventional systems. In sum, the FIG. **6** system is an improvement over the prior art which will permit governments to save large quantities of tax dollars, and will allow consumers and retailers to avoid costly tax preparation."

In the invention disclosed by Francisco, after a credit card transaction for the purchase of goods has been completed, the amount of the sale is dispersed to the retailer at 211 via network 216, and tax register 8 reports the sales transaction to the state. In Francisco's system, the identity of the retailer and the identity of the purchaser are known to the state.

Applicants claim in claim 36, as amended, and those claims dependent thereon, a different method than that disclosed by Francisco. Francisco does not disclose or anticipate accessing seller information for a taxing jurisdiction segmented by the agent

for that jurisdiction with a unique identifier wherein the identity of the seller remains secret. In Applicants' method, the identity of the seller is not known by the taxing jurisdiction.

Claims 38, 41, 46-48, and 50-60 have been rejected by the Examiner under 35 USC §103(a) as being unpatentable over Francisco (U.S. Patent No. 5,875,433). The Examiner stated in pages 2 and 3 of the Patent Office Action: *"Francisco does not disclose the term, segmented, having a unique identifier, keeping the identity of the seller secret, and analyzing the data and filing a tax return."*

Official notice is taken that each of these features has been well-known, common knowledge within the consulting art.

Applicants submit that the consulting art is a non-analogous art. Furthermore, taxing jurisdictions do not receive seller information that has been segmented by an agent wherein the identity of the seller remains secret, and/or tax returns filed by an agent for the seller where the identity of the seller is secret.

The Examiner indicated that the "AX" reference listed in Applicants' Information Disclosure Statement (IDS) was not included with Applicants' IDS. A copy of the "AX" reference is enclosed herewith.

In view of the above, claims 36-41, 43, 44, 47, 48, and 50-61 are patentable. If the Examiner has any questions, would he please contact the undersigned at the telephone number noted below.

Respectfully submitted,

Ronald Reichman

Ronald Reichman
Reg. No. 26,796
Attorney of Record
Telephone (203) 924-3854

PITNEY BOWES INC.
Intellectual Property and Technology Law Department
35 Waterview Drive, P.O. Box 3000
Shelton, CT 06484-8000

AP AND VERTEX FORM PARTNE HIP TO PROVIDE CLIENT/SERVER SO ARE FOR SALES/USE TAX COMPLIANCE

PR Newswire, p312PHT0003
March 12, 1996
Language: English Record Type: Fulltext
Document Type: Newswire; Trade
Word Count: 559

TEXT:

BERWYN, Pa., March 12 /PRNewswire/ -- Vertex Inc., a leading provider of advanced client/server, sales/use tax compliance software, announced today a partnership with SAP(R) America, Inc. to provide companies with an integrated client/server, sales/use tax compliance system.

Through SAP's Complementary Software Partners (CSP) program, SAP has certified an application programming interface (API) which seamlessly integrates SAP's R/3 client/server business applications with Vertex's Quantum(TM) for Sales and Use **Tax** , an advanced sales and use **tax** compliance system designed to operate in UNIX and other client/server environments.

By automating the sales/use tax compliance process, the SAP/Vertex solution enables SAP R/3 customers to reduce audit exposure and liability, eliminate unproductive and repetitive tax research, ensure accurate customer billing, and reduce staff time spent preparing tax returns.

"The partnership between SAP and Vertex is a direct response to our customers' business needs," said Jim Whalen, Complementary Software Partners Manager for SAP. "Many R/3 customers are interested in a tightly integrated sales and use tax solution, so we view the Vertex partnership and the certified interface between R/3 and the Quantum tax compliance system as a real benefit and competitive advantage to R/3 users."

"We're excited to be designated by SAP as one of its first certified Complementary Software Partners in the U.S.," said Gerry Hurley, Vice President of Marketing for Vertex. "Our partnership with such a dynamic company is evidence of the importance and strong demand for quality tax compliance software and research."

Vertex participated in the design and development of the interface, which used system integration standards established by SAP, while incorporating Vertex's tax and software expertise to define the tax protocols and ensure accurate sales and use tax processing. Vertex's Quantum for Sales and Use Tax is integrated with SAP's R/3 Sales and Distribution, Financials, and Materials Management applications. Delivered in an executable format for UNIX and other leading client/server platforms, Quantum's software, databases, and decision-support tools automate sales and use tax compliance through the research of rules and rates, the accurate processing of tax amounts, and the automated preparation of state and local tax returns.

For more than 20 years, Vertex has been the leading supplier of automated tax compliance software and reference publications for sales/use, property, payroll, and telecommunications taxation. Based in Berwyn, Pa., Vertex has regional offices in Chicago, Dallas, and San Mateo, Calif.

SAP is a market and technology leader in client/server enterprise application software, providing comprehensive solutions for companies of all sizes. Cultivating technologies on a solid foundation of business experience, SAP delivers scalable solutions that enable its customers to continually improve upon best business practices. SAP products empower people to respond quickly and decisively to dynamic market conditions, helping businesses maintain a competitive advantage.

Founded in 1972, SAP is based in Walldorf, Germany, and employs more than 7,000 people in 30 countries worldwide that are dedicated to providing a high level of support and service to more than 6,000 companies.

SAP is a registered trademark and R/3 is a trademark of SAP AG.
/delval/
-0- 3/12/96

/CONTACT: Alex Smith of Vertex, 610-640-4200, or Narina Sippy of SAP, 610-725-4029/

CO: Vertex Inc.; SAP(R) America, Inc.
ST: Pennsylvania
IN: CPR FIN

SU: JVN

ML-MK
-- PHTU003 --
1262 03/12/96 09:05 EST

PUBLISHER NAME: PR Newswire Association, Inc.
COMPANY NAMES: *SAP America Inc.; Vertex Inc.
EVENT NAMES: *380 (Strategic alliances)
GEOGRAPHIC NAMES: *1USA (United States)
PRODUCT NAMES: *7372410 (Business Applications Software)
INDUSTRY NAMES: BUS (Business, General); BUSN (Any type of business)
NAICS CODES: 51121 (Software Publishers)
SPECIAL FEATURES: COMPANY
?